
Perceived fairness of government support for different regions:

A survey experiment in German decline and growth regions

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Chair of Sociology and Empirical Research Methods
(Prof. Martin Abraham)

The importance of regional policy

Available budget of EU Cohesion Policy
2021-2027 EUR 392 billion.

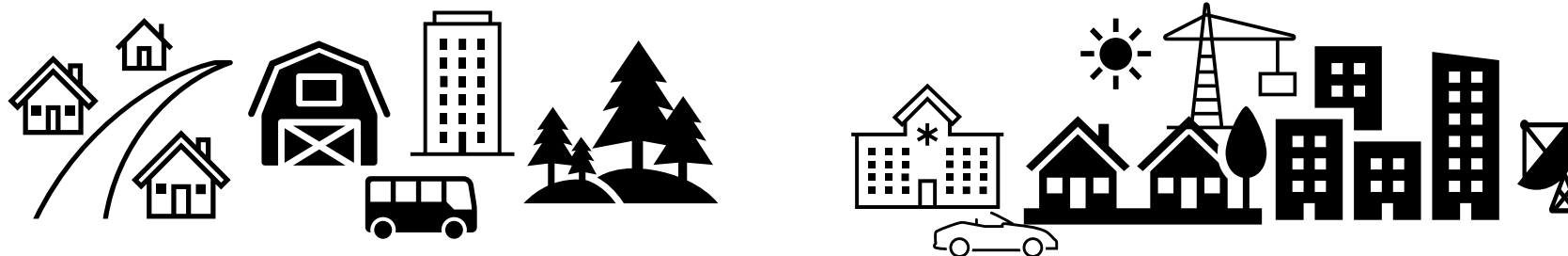
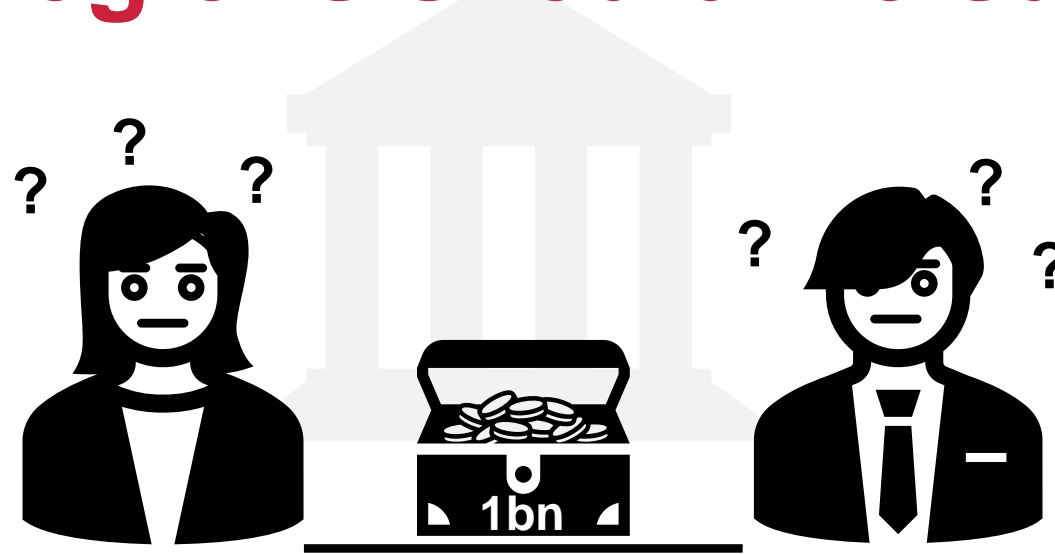


Rishi Sunak and Jeremy Hunt hold up a Levelling Up plaque on a visit to Accrington, as local MP Sara Britcliffe ducks (Image: POOL/AFP via Getty Images)

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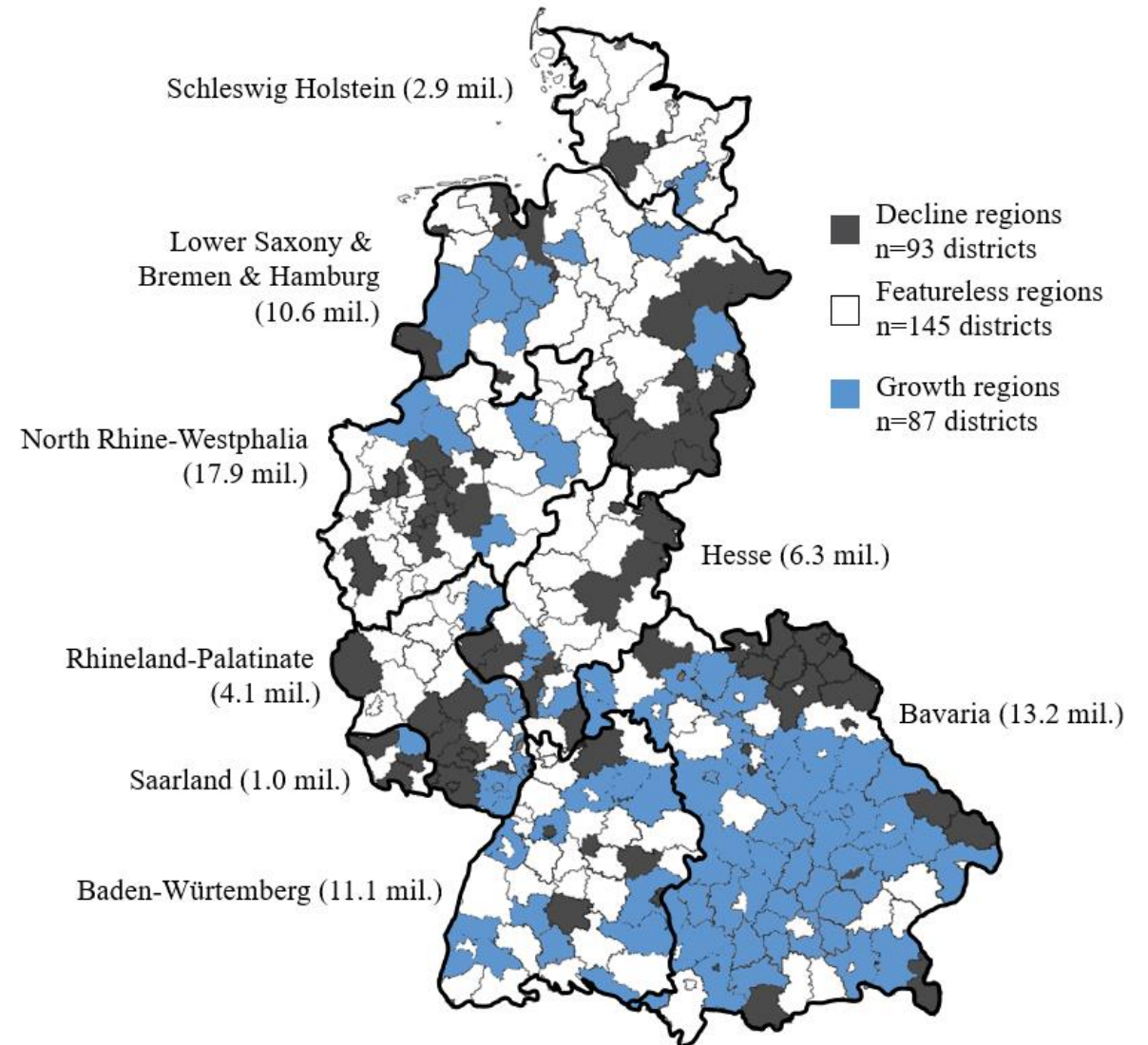
Rishi Sunak accused of pumping levelling up cash into the South - see full list

Which regions should we support?



Growth and Decline West German regions: Job growth rates from 1978 to 2014

(Dauth & Südekum, 2016)



Theory: the level of benefits is more guided by self-interest than the access to benefits (Van Hoote gem et al. 2023)

Level of regional transfers (how much)

- ⇒ I expect regional self-interest
- ⇒ Level of transfers emphasizes that some receive more and others have to pay more
- ⇒ H1: Residents from declining regions do more agree to increase the level of existing regional transfers than residents from growing regions

Access to regional transfers (who)

- ⇒ I expect less regional self-interest
- ⇒ Insurance motive: even when distribution is restricted to poorer groups, the possibility of future exposure to risk remains for all
- ⇒ H2: Residents from declining and growing regions do not differ in their policy preferences for recipient regions (access to regional transfers)

Operationalization

Level of regional transfers (how much)

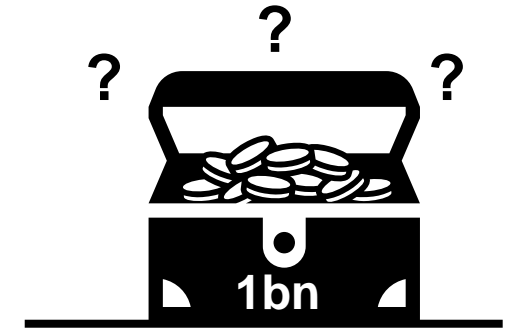
- ⇒ Single Item question in the questionnaire
- ⇒ *“There are measures in Germany that redistribute funds between richer and poorer areas. What do you think? Should the support for financially poor areas”*
 - ⇒ *be cut*
 - ⇒ *stay the same as before*
 - ⇒ *be increased*
 - ⇒ *Don't know*

Access to regional support (who)

- ⇒ Factorial survey experiment with a hypothetical funding program and varying fictitious regions
- ⇒ *“How fair would it be if this region gets support from a new program?”*
 - ⇒ 1 very unfair to 9 very fair

Access to support: the hypothetical funding programme

- ⇒ Imagine the German government was launching a new 1 billion EUR regional funding program
- ⇒ In total, more than 200 regions can be considered
- ⇒ The question of how many and which regions will ultimately be funded and in what amounts is still open.
- ⇒ Respondents don't get information about whether their home region might be among the recipients, but it is also not ruled out.



Eligible recipient regions (243 vignettes)

Characteristics of region x of 5

- High/Average/Low tax revenue per resident
- Infrastructure and public facilities are in excellent/average/terrible condition
- Experts see little/average/great potential for economic growth in the region
- Local businesses have profited/There was no influence on local businesses/Local businesses have suffered/ in the last few years from global economic trends
- A survey showed that 9%/22%/43% of the population are dissatisfied with the political system in Germany (average in Germany is 23%)

How fair do you think it would be if this region gets support by the new program?

Very unfair									Very fair
1	2	3	4	5	6	7	8	9	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

H2: Residents from **declining** and **growing** regions do not differ in their policy preferences for recipient regions

Alternative hypotheses

Characteristics of region x of 5

- High/Average/Low tax revenue per resident
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Need could be more important in **declining regions**

Efforts or returns could be more important for **growing regions**

How fair do you think it would be if this region gets support by the new program?

Very unfair									Very fair
1	2	3	4	5	6	7	8	9	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

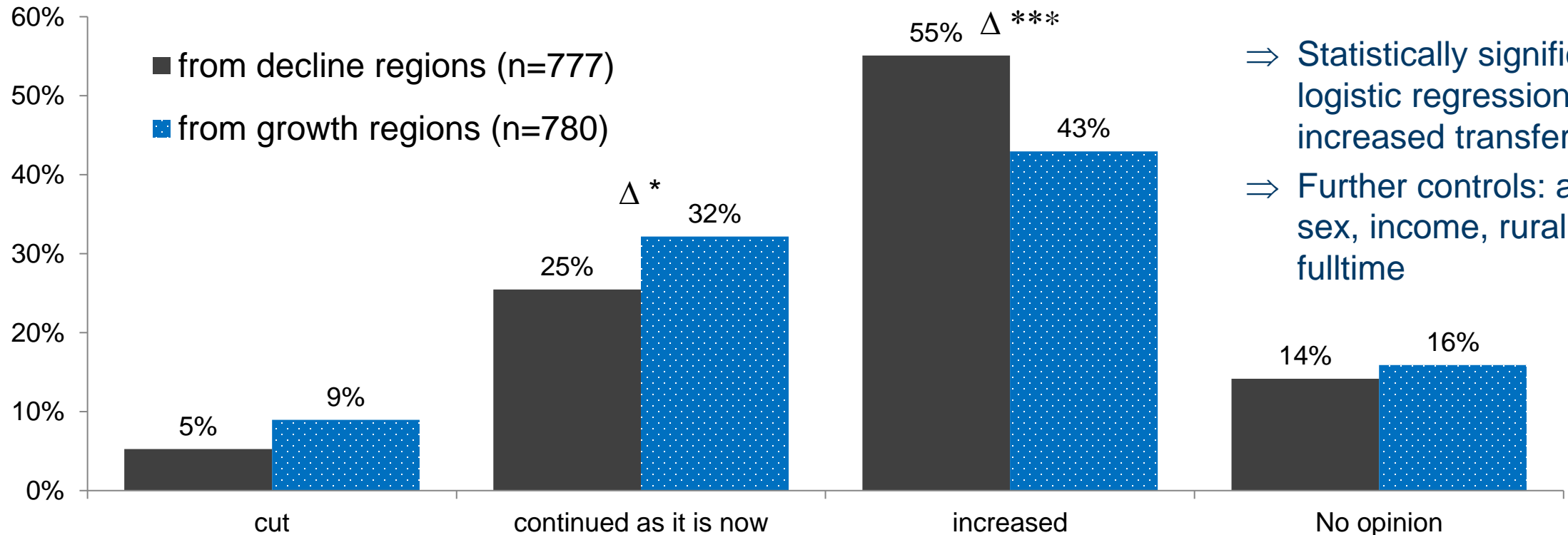
The online survey (n=1557)

Population	West German population aged 18 and above (data for other regions also available)
Subsamples	From decline (n=777) and growth regions (n=780)
Period	August to September 2018
Quotas	Federal states, age, sex
Vignettes	5 Vignettes per respondents
Cooperation	Norstat (incentivized respondents)
Survey	Housing situation, mobility, attitudes towards regional redistribution, political orientation, use and assessment of infrastructure
Regiodata	Merged with INKAR data on Landkreis (county) level



Agreement to level of transfers is guided by self-interest

Financial transfers from richer to poorer regions should be...

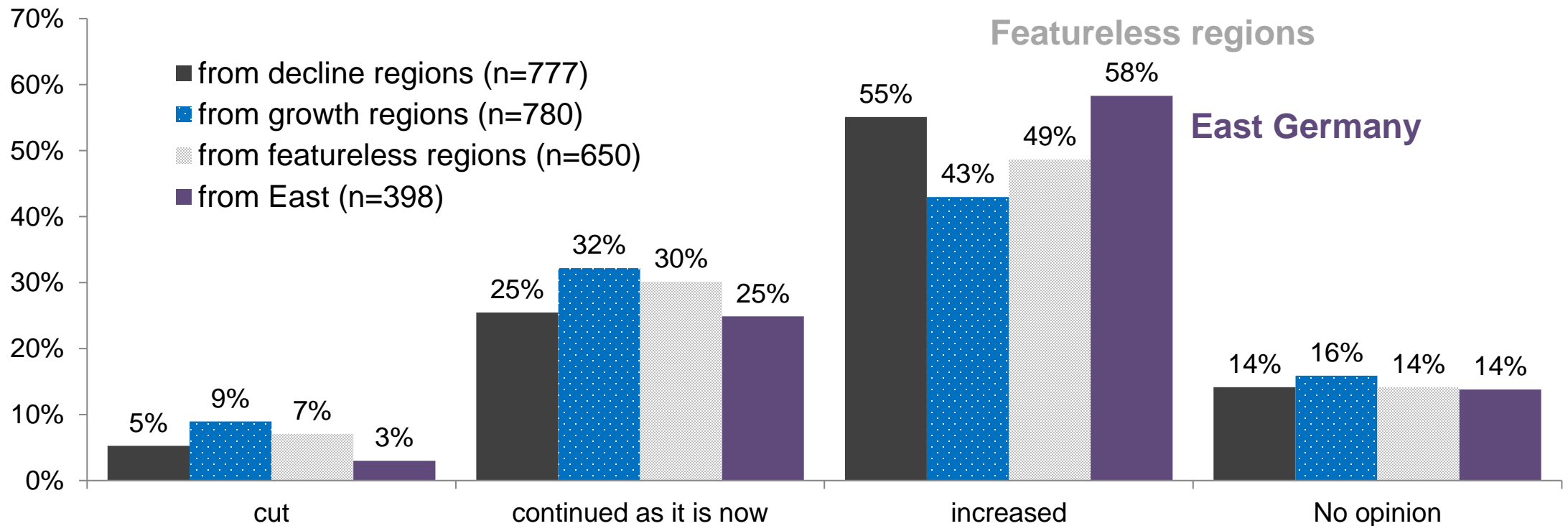


⇒ Statistically significant in a logistic regression with increased transfers (0/1)

⇒ Further controls: age, edu, sex, income, rurality, part-fulltime

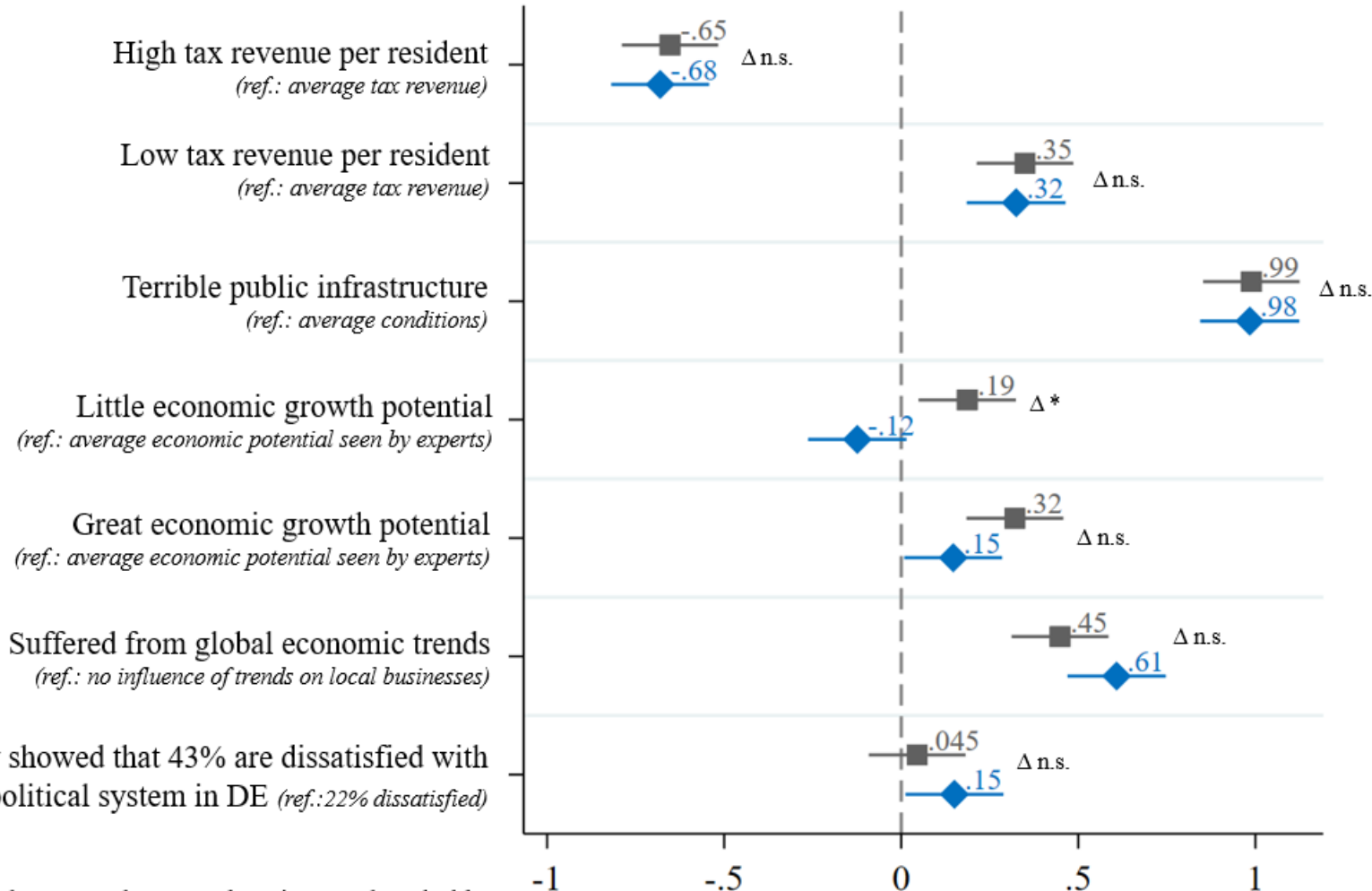
Further regions: agreement to the level of transfers is still guided by self-interest

Financial transfers from richer to poorer regions should be...



Access to support: how fair do you think it would be if this region gets support from the new program? (multilevel random intercept)

1 very unfair to 9 very fair



⇒ Respondents from decline and growth regions have quite similar policy preferences

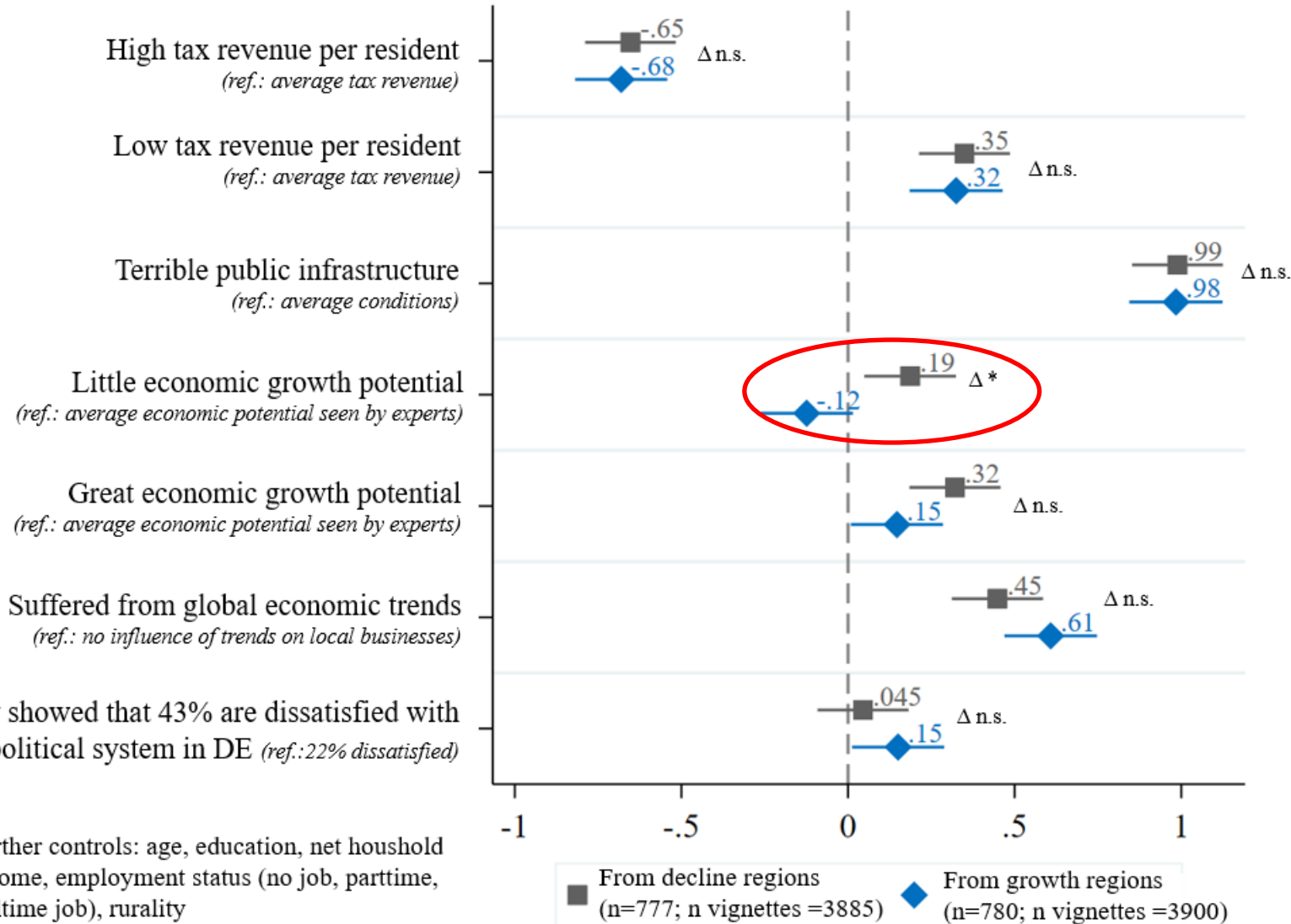
⇒ Exception: only in growth regions, little economic growth potentials lead to less agreement

Further controls: age, education, net household income, employment status (no job, parttime, fulltime job), rurality

■ From decline regions (n=777; n vignettes =3885) ◆ From growth regions (n=780; n vignettes =3900)

Access to support: how fair do you think it would be if this region gets support from the new program? (multilevel random intercept)

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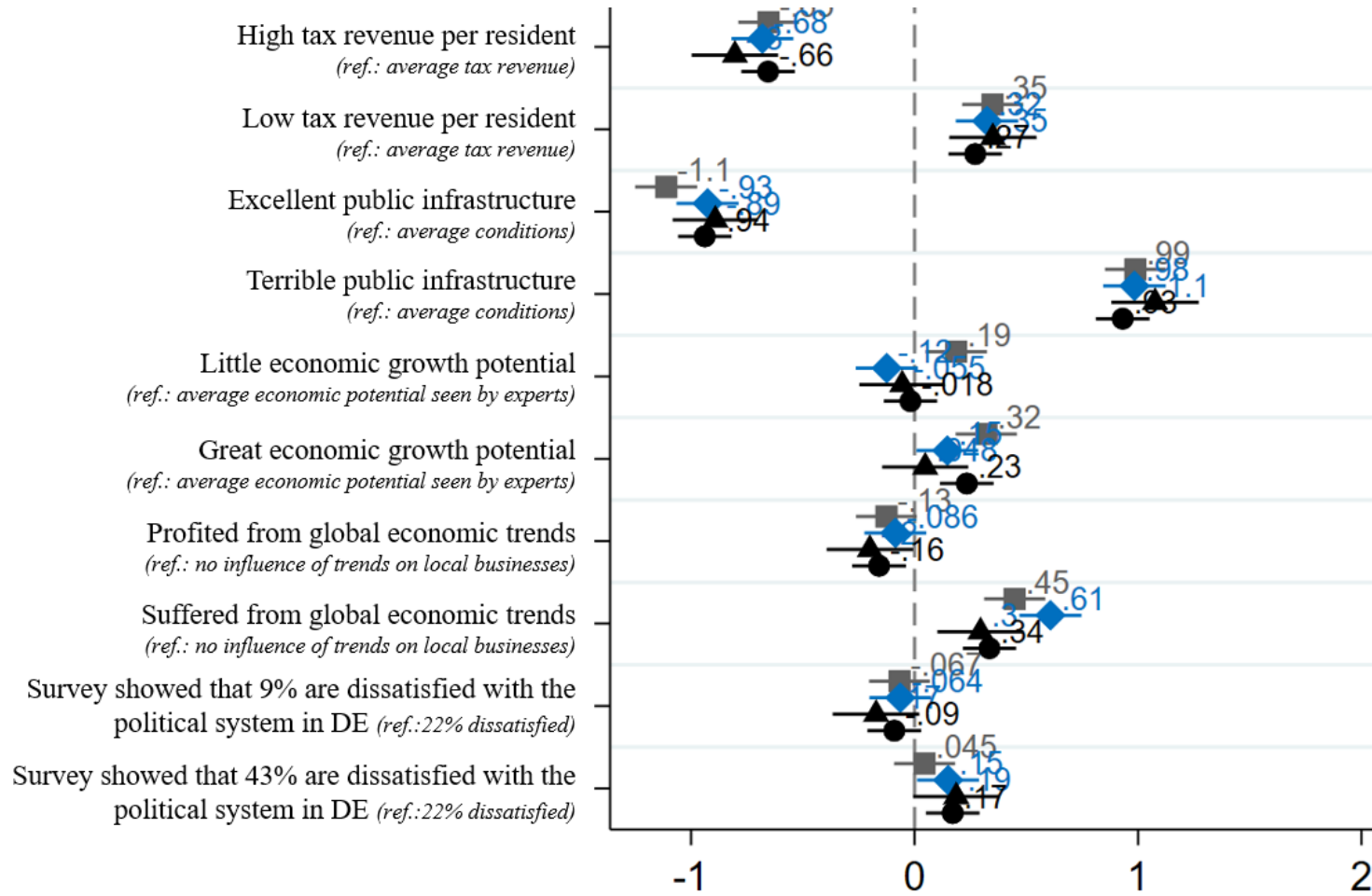


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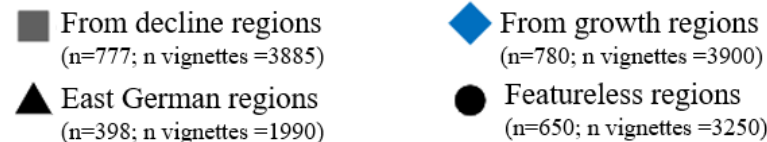
Access to support: how fair do you think it would be if this region gets support from the new program? (multilevel random intercept)

1 very unfair to 9 very fair



⇒ Respondents from „featureless“ and East German regions also have quite similar preferences

Further controls: age, education, net household income, employment status (no job, parttime, fulltime job), rurality



Conclusion

- ⇒ Agreement to level of transfers is more guided by regional self-interest than access to transfers
- ⇒ Residents from **Growth regions** also want protection against economic shocks
- ⇒ Residents from **Decline regions** also value growth potentials, especially in lagging regions



Highlight WHAT policies do instead of HOW MUCH

⇒ Potentials: identify strengths and increase confidence in weaker regions (e.g., regional branding)



⇒ Protection: clarify how the policy protects all regions from events like development traps (e.g., financial equalization schemes)



Thank you very much!

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Used literature

- ⇒ Dauth, W., & Suedekum, J. (2016). Globalization and local profiles of economic growth and industrial change. *Journal of Economic Geography*, 16(5), 1007-1034.
- ⇒ Van Hootegem, A., Meuleman, B., & Abts, K. (2023). Two faces of benefit generosity: comparing justice preferences in the access to and level of welfare benefits. *European Sociological Review*.